COCHIN LEGISLATIVE COUNCIL

Monday, the— *13th of February 1933.*
2nd of Kumbham 1108.

The House met at half-past eleven of the clock with the President in the Chair. Messrs. A. I. Mani, K. T. Mathew, K. Mohamed Seethi, P. Kumaran Ezhuthassan and Mrs. Swaris were absent.

Swearing in of new Members.

C. G. Herbert Esq., I. C. S., Diwan of Cochin and Ex-officio President, first took the oath. Messrs. Rao Bahadur T. V. Kasturi Ranga Ayyar (Diwan Peishkar) and P. C. Varkey (nominated) also then took and subscribed the oath of allegiance.

OPENING STATEMENT BY THE PRESIDENT.

President.—Hon'ble Members of the Legislative Council.—Before we proceed with the business of the House I should like, with the permission of Hon'ble Members, to refer briefly to the work of the recent Round Table Conference which concluded its labours this Christmas. As Hon'ble Members know, this Session of the Round Table Conference was called to carry on the work started by the first two Round Table Conferences and continued by the three Committees which visited India in the course of last year. During its labours the third Session of the Round Table Conference which has just concluded did very considerable work on such questions as the franchise for the various Houses of the Legislatures, both in the Provinces and the Federal Government; the distribution of powers between the different Houses in the Federal Legislature; the powers of the Governor-General and Governors in relation to legislation; the distribution of seats amongst the States and British India in these Legislatures; and the financial arrangements to be made before a Federation can be established. I do not propose to occupy the time of this House by dealing with all these questions; it would take far too long and moreover reports which embody the work done by the Conference and its Committees have already been published. Any Hon'ble Member who wishes to go into these questions in detail therefore can do so by reading the reports.

There are, however, two questions to which I should like to make brief reference since they affect the States and

LIBRARY ARCHIVES Kerala Legislative Assembly

Cochin State in particular, more closely than the generality of the questions. I refer to the distribution of seats between the States and British India and the financial arrangements to be made before Federation can be established. The position as regards the distribution of seats was as follows when the third Session of the R. T. C. met: the second Round Table Conference had recommended by a considerable majority that the Lower House in the Federal Legislature should consist of 300 members of whom the States would be assigned one-third or 100 members and that the Upper House should consist of 200 members, the States being allowed 40 per cent of these seats. The question was again considered in the third Session and there was still a large body of opinion in favour of these arrangements. The Lothian Committee which came here last year and enquired into the franchise question had however recommended that the number of seats allotted to British India in the Lower House should be increased from 200 to 300. If that recommendation is to be finally adopted then, since the States are to have one-third of the total number of seats in the House, it is clear that that total number must be increased to 450. With that possible modification the general opinion in the third Session of the Round Table Conference was the same as that of the second. That is to say, there should be a Lower House consisting of 300 or 450 seats of which the States should have one-third and there should be a Upper House consisting of 200 seats of which the States should have 40 per cent or 80 seats. There were also however two minority opinions on the question. Certain influential sections of the British Indian Delegates were opposed to the States having any weightage in either of the Houses of Legislature, particularly in the Lower House, that is to say, in their opinion the States should only be given the number of seats to which their population in relation to British India entitled them. On the other hand, certain States wanted the number of seats in the Upper House to be increased by a fairly considerable number in order that more States might be given individual representation in the Upper House. Complete unanimity was thus not obtained. But the general trend of the opinion was in favour of the conclusions reached at the second Round Table Conference.

The next question of importance to which I wish briefly to refer is the question of the financial arrangements. At the beginning of this Conference, Hon'ble Members will remember, the position was this: The second Round Table Conference had appointed a Committee under Lord Peel to deal with this question and that Committee had recommended as one of its main proposals that the income-tax collected in British India

LIBRARY ARCHIVES Kerala Legislative Assembly

should be returned to the British Indian Provinces instead of remaining, as it now does, as an item in the Central Budget—and a very important item in the Central Budget, something like 17 and odd crores. But the Peel Committee realised that to begin with at any rate the Federal Government could not be expected to carry on without that revenue and so it recommended that while income-tax should be returned to the Provinces the Provinces should make contributions for a certain period to the Central revenues. They also recommended that the question should be further enquired into. In order further to investigate the financial proposals the Percy Committee was appointed last year. That Committee agreed more or less with the conclusions of the Peel Committee, but it thought the income-tax realised in British India such an important item in the Central Government budget that it would be impossible to fix a period at the end of which the subsidies which the Peel Committee had recommended should be made by the Provinces to the Central Government could be eliminated. The Davidson Committee also enquired into the States financial relations and recommended that those States which paid a subsidy in excess of 5 per cent of their revenues should be relieved of that excess immediately. The Committee further recommended that the balance of the subsidies should be remitted as to one half within five years and as to the other half within ten years of the inception of the Federation in the proportion in which the contributions made by British India to the Central funds were also remitted. This was the position when the third Session of the Round Table Conference met. That Conference again appointed a Committee to go into the question of finance. It was again under the chairmanship of Lord Peel and it devised a scheme of finance which was in its generality approved by the Conference, although there was difference of opinion on some important points. The scheme very briefly was this : The heads of income-tax were divided into two, some being allotted permanently to the Central Government, others permanently to the Provinces. Those given permanently to the Central Government included the tax realised on incomes of Federal officers, tax realised from Federal areas, tax on British Indian securities, tax on people who pay income-tax but are not residents in British India and corporation tax. These heads, the Committee recommended, should be assigned to the Federal Government, the balance being assigned permanently to the Provinces. But it further recommended that in case of necessity the Federal Government should have the power of levying a surcharge, on the heads of income-tax

LIBRARY ARCHIVES Kerala Legislative Assembly

assigned to the Provinces. That is to say, if in any year the revenues realised by the Federal Government is not sufficient to balance the budget that Government would be entitled to impose an additional surcharge on that part of the income-tax which was assigned as a permanent measure to the Provinces. The Committee also recommended that as a temporary measure and in order to enable the Federal Government to balance its budget, to begin with an additional sum should be paid by the British Indian Provinces temporarily from their income-tax to the Federal Government. These payments would continue as a temporary measure for a certain number of years to be fixed. At the end of that temporary period if it is not possible for the Federal Government to balance its budget with the funds permanently assigned to it then all the units of the Federation would contribute on an equitable basis to make up the deficit. That was the general scheme. Objections were taken to it by the State representatives on two points; first, on the length of the temporary period during which the additional contribution should be contributed by the Provinces to the Federal Government and secondly, regarding the amount which the British Indian Provinces should contribute to the Federal Government before the States are required to contribute to the Federal revenues. Considerable discussion took place on these two points and it was not possible to reach complete unanimity upon them.

As regards the particular interests of Cochin I put in a Memorandum to the Conference which will, I hope, be published in due course. But the Conference itself did not consider the grievances or interests of individual States. It dealt with the general questions concerning the States as a whole and British India as a whole and the inter-relation between the two. But in order that the question of Cochin might be before the Conference, I put in a Memorandum which, as I said, will be published for the information of the public.

Speaking generally although it was not possible to reach complete unanimity on all points in view of the great complexity of the questions involved, it was generally agreed that the Conference had done very considerable work for the establishment of Federal Government in India.

I now come, Hon'ble Members, to the business before this House at this Session. There is no legislative work of any importance, all such work having been disposed of during the last meeting. We shall, therefore, devote most of our time to the consideration of the various resolutions bearing on the life and interests of the State. I am quite sure that the House will debate these resolutions with the sanity and eloquence which it has establish-

LIBRARY ARCHIVES Kerala Legislative Assembly

ed and throughout the proceedings I hope, from all Hon'ble Members, to receive that support to the Chair which it has been my custom to receive in the past. We will now pass on to the business of the day.

QUESTIONS AND ANSWERS.

Excess payments through interim bills on works.

181. Mr. T. A. Ramachandra Ayyar.—Will the Government be pleased to state whether there have been final bills passed by the Chief Engineer for works in Karkadagam last when, as a result of his check-measurement, large amounts already unduly and excessively paid on individual items of works in interim bills on the responsibility of the Divisional Officers and Sub-divisional Officers had to be recovered from either the usual 10% reductions made from the contractor's interim bills or from the value of works since done on other items of the estimates or from amounts due to contractors on other works ;

(b) if so, the names of works, the amounts found excessively paid on interim bills on individual items and how these excessive payments were recovered from the contractors may be stated ; who are the contractors of such works and who are the Sub-divisional and Divisional Officers concerned ; were any explanations called for from the officers responsible for such over-payments in interim bills and how were they disposed of ; were the works of reconstructing the Kannukali bridge and the improvements to the Manapat chira among them ; in what items were there such excess and what were the excess amounts so paid in interim bills in each item ; how were they recovered in the final bill; who were the Divisional and Sub-divisional Officers ?

Mr. M. D. Narayana Ayyar.—(a) No.

(b) In view of the answer above, the rest of the questions do not arise.

Mr. T. A. Ramachandra Ayyar.—Is there a practice to pay the whole amount to contractors at the end of the year even though the work is not fully completed?

Mr. M. D. Narayana Ayyar.—No. The works are to be check-measured and paid at the end of the year. By the end of the year the amount does not lapse. But we will take Government sanction to pay for these works next year.

Posting of Surgeon got specialised in Ophthalmology to Ernakulam.

182. Mr. A. Eachara Menon.—Will the Government be pleased to state:—(1) what were the number of Ophthalmic cases in each year from 1104 to 1108 in the Trichur Hospital ;

LIBRARY ARCHIVES Kerala Legislative Assembly